

Adopted	Rejected
---------	----------

## COMMITTEE REPORT

YES:	8
NO:	0

### MR. SPEAKER:

*Your Committee on* **Insurance**, to which was referred House Bill 1627, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:

1           Page 2, between lines 14 and 15, begin a new paragraph and insert:  
2           "SECTION 2. IC 16-42-19-11.5 IS ADDED TO THE INDIANA  
3           CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
4           [EFFECTIVE JULY 1, 2009]: **Sec. 11.5. Beginning January 1, 2010,**  
5           **on the request of a patient who is blind (as defined in**  
6           **IC 12-7-2-21(2)) or visually impaired (as defined in**  
7           **IC 12-7-2-198(a)), a pharmacist shall dispense a prescription for a**  
8           **legend drug with a label that:**  
9                **(1) complies with the requirements under section 11(a)(1) of**  
10              **this chapter; and**  
11              **(2) contains the label information on a:**  
12                   **(A) braille label that is affixed to the immediate container**  
13                   **in which the drug is delivered; or**  
14                   **(B) recorded audio device that is permanently attached to**  
15                   **the immediate container in which the drug is delivered.**  
16           SECTION 3. IC 27-1-3.1-14 IS AMENDED TO READ AS

1       FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 14. (a) Upon the  
 2       adoption of an examination report under section 11(a)(1) of this  
 3       chapter, the commissioner shall continue to hold the content of the  
 4       examination report as confidential information for a period of thirty  
 5       (30) days except to the extent provided in section 10(b) of this chapter.  
 6       Thereafter, the report shall be open for public inspection.

7       (b) This chapter does not prevent or prohibit the commissioner from  
 8       disclosing the content of an examination report, preliminary  
 9       examination report, or results, or any matter relating thereto, to **the**  
 10       **National Association of Insurance Commissioners**, the insurance  
 11       department of any other state or country, or to law enforcement  
 12       officials of Indiana or any other state or agency of the federal  
 13       government at any time, if the agency or office receiving the report or  
 14       matters relating thereto agrees in writing to hold it confidential and in  
 15       a manner consistent with this chapter.

16       (c) If the commissioner determines that regulatory action is  
 17       appropriate as a result of any examination, the commissioner may  
 18       initiate any proceedings or actions authorized by law.

19       (d) This chapter does not limit the commissioner's authority to use  
 20       and, if appropriate, to make public any final or preliminary examination  
 21       report, any examiner or company workpapers or other documents, or  
 22       any other information discovered or developed during the course of any  
 23       examination in the furtherance of any legal or regulatory action that the  
 24       commissioner may, in the commissioner's sole discretion, consider  
 25       appropriate."

26       Page 2, line 21, after "country," insert "**the National Association of**  
 27       **Insurance Commissioners**,".

28       Page 3, line 12, delete "body of independent members" and insert  
 29       "**committee or equivalent body**".

30       Page 3, line 19, delete "body of independent members" and insert  
 31       "**committee or equivalent body**".

32       Page 4, line 11, delete ":" and insert "**the following**:".

33       Page 4, line 12, delete "an" and insert "**An**".

34       Page 4, line 12, delete "; and" and insert ".".

35       Page 4, line 13, delete "a" and insert "**A**".

36       Page 4, line 28, delete "and" and insert "**or**".

37       Page 4, line 40, after "personnel" delete "and" and insert "**or**".

38       Page 6, line 35, after "control" insert "**over financial reporting**".

- 1 Page 9, line 7, after "individuals" insert "**who are all members of:**
- 2 **(1) the insurer's board of directors; or**
- 3 **(2) the board of directors of the entity that controls the**
- 4 **insurer;"**.
- 5 Page 9, line 7, beginning with "to" begin a new line blocked left.
- 6 Page 9, line 23, delete "an entity that ultimately controls".
- 7 Page 10, line 5, delete "material".
- 8 Page 10, line 7, after "alternative" insert "**disclosures and**".
- 9 Page 11, line 1, delete "under".
- 10 Page 11, line 2, delete "760 IAC 1-53 (as in effect on January 1,
- 11 2009),".
- 12 Page 11, line 3, delete "." and insert ", **as determined by the**
- 13 **commissioner according to rules adopted under IC 4-22-2."**.
- 14 Page 11, line 41, delete "not".
- 15 Page 14, line 18, delete ":".
- 16 Page 14, line 19, delete "(1)".
- 17 Page 14, run in lines 18 through 19.
- 18 Page 14, line 19, delete "; and" and insert ".".
- 19 Page 14, delete lines 20 through 23.
- 20 Page 14, line 36, strike "may,".
- 21 Page 14, line 36, delete "not more" and insert "**shall, before**
- 22 **December 1"**.
- 23 Page 14, line 37, delete "than thirty (30) days before the end".
- 24 Page 15, line 33, delete ", auditing,".
- 25 Page 16, delete line 23.
- 26 Page 16, line 24, delete "(J)" and insert "**(I)**".
- 27 Page 16, line 41, delete "equal to" and insert "**totaling**".
- 28 Page 16, line 42, delete "(g)" and insert "**(g)(4)**".
- 29 Page 17, line 3, delete "(g)" and insert "**(g)(4)**".
- 30 Page 17, line 7, delete "(g)" and insert "**(g)(4)**".
- 31 Page 17, line 26, delete "the nonaudit" and insert "**the**".
- 32 Page 21, line 16, delete "Professional Conduct" and insert
- 33 "professional conduct".
- 34 Page 21, line 16, strike "Indiana".
- 35 Page 21, line 16, delete "State Board of Accountancy." and insert
- 36 "**applicable** state board of accountancy.".
- 37 Page 23, line 7, delete "under 760" and insert "**as determined by**
- 38 **the commissioner according to rules adopted under IC 4-22-2; or"**.

- 1 Page 23, delete line 8.
- 2 Page 23, line 9, after "RBC" insert "**action**".
- 3 Page 23, line 30, delete "the description described" and insert "**all**
- 4 **material processes with respect to the preparation of the insurer's**
- 5 **audited financial statements are**".
- 6 Page 23, line 31, delete "in subdivision (3) is ".
- 7 Page 23, line 40, delete ";" and insert "**for the internal controls**
- 8 **over financial reporting that are not included in the Section 404**
- 9 **report**".
- 10 Page 23, delete line 41.
- 11 Page 24, line 6, delete "and:" and insert "**accompanied by**".
- 12 Page 24, line 14, delete "or" and insert "**and**".
- 13 Page 25, between lines 4 and 5, begin a new paragraph and insert:
- 14 "**(g) For purposes of this section, if an unremediated material**
- 15 **weakness exists in an insurer's internal control over financial**
- 16 **reporting, the insurer's management personnel shall not conclude**
- 17 **that the internal control over financial reporting is effective to**
- 18 **provide reasonable assurance regarding the reliability of the**
- 19 **insurer's financial statements in accordance with statutory**
- 20 **accounting principles**".
- 21 Page 25, line 5, delete "(g)" and insert "**(h)**".
- 22 Page 25, line 27, delete "A" and insert "**Except as provided in**
- 23 **subsections (d), (e), and (f), a**".
- 24 Page 25, line 27, delete "that, on July 1, 2009, has a qualified".
- 25 Page 25, line 28, delete "accountant on retainer".
- 26 Page 25, line 31, delete "specified" and insert "**permitted**".
- 27 Page 25, delete lines 32 through 42.
- 28 Page 26, line 1, delete "(d) A" and insert "**(c) Except as provided**
- 29 **in subsections (d), (e), and (f), a**".
- 30 Page 26, line 3, delete "2010," and insert "**2009**".
- 31 Page 26, line 3, delete "specified" and insert "**permitted**".
- 32 Page 26, line 5, delete "(e)" and insert "**(d)**".
- 33 Page 26, line 8, delete "(f)" and insert "**(e)**".
- 34 Page 26, line 10, delete "2009." and insert "**2010**".
- 35 Page 26, line 11, delete "2009," and insert "**2010**".
- 36 Page 26, line 22, delete "(g)" and insert "**(f)**".
- 37 Page 26, line 22, delete "(f)," and insert "**(e)**".
- 38 Page 27, between lines 32 and 33, begin a new paragraph and insert:

"SECTION 35. IC 27-1-15.6-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7. (a) Unless denied licensure under section 12 of this chapter, a person who has met the requirements of sections 5 and 6 of this chapter shall be issued an insurance producer license. An insurance producer may receive qualification for a license in one (1) or more of the following lines of authority:

(1) Life — insurance coverage on human lives, including benefits of endowment and annuities, that may include benefits in the event of death or dismemberment by accident and benefits for disability income.

(2) Accident and health or sickness — insurance coverage for sickness, bodily injury, or accidental death that may include benefits for disability income.

(3) Property — insurance coverage for the direct or consequential loss of or damage to property of every kind.

(4) Casualty — insurance coverage against legal liability, including liability for death, injury, or disability, or for damage to real or personal property.

(5) Variable life and variable annuity products — insurance coverage provided under variable life insurance contracts and variable annuities.

(6) Personal lines — property and casualty insurance coverage sold to individuals and families for primarily noncommercial purposes.

(7) Credit — limited line credit insurance.

(8) Title — insurance coverage against loss or damage on account of encumbrances on or defects in the title to real estate.

(9) Any other line of insurance permitted under Indiana laws or administrative rules.

(b) A person who requests and receives qualification under subsection (a)(5) for variable life and annuity products:

(1) is considered to have requested; and

(2) shall receive;

a life qualification under subsection (a)(1). **The insurance producer's license document must clearly indicate that the life qualification received under this subsection includes a qualification for variable life and variable annuity products.**

1 (c) A resident insurance producer may not request separate  
2 qualifications for property insurance and casualty insurance under  
3 subsection (a).

4 (d) An insurance producer license remains in effect unless revoked  
5 or suspended, as long as the renewal fee set forth in section 32 of this  
6 chapter is paid and the educational requirements for resident individual  
7 producers are met by the due date.

8 (e) An individual insurance producer who:

9 (1) allows the individual insurance producer's license to lapse;

10 and

11 (2) completed all required continuing education before the license  
12 expired;

13 may, not more than twelve (12) months after the expiration date of the  
14 license, reinstate the same license without the necessity of passing a  
15 written examination. A penalty in the amount of three (3) times the  
16 unpaid renewal fee shall be required for any renewal fee received after  
17 the expiration date of the license. However, the department of  
18 insurance may waive the penalty if the renewal fee is received not more  
19 than thirty (30) days after the expiration date of the license.

20 (f) A licensed insurance producer who is unable to comply with  
21 license renewal procedures due to military service or some other  
22 extenuating circumstance may request a waiver of the license renewal  
23 procedures. The producer may also request a waiver of any  
24 examination requirement or any other fine or sanction imposed for  
25 failure to comply with the license renewal procedures.

26 (g) An insurance producer license shall contain the licensee's name,  
27 address, personal identification number, date of issuance, lines of  
28 authority, expiration date, and any other information the commissioner  
29 considers necessary.

30 (h) A licensee shall inform the commissioner of a change of address  
31 not more than thirty (30) days after the change by any means  
32 acceptable to the commissioner. The failure of a licensee to timely  
33 inform the commissioner of a change in legal name or address shall  
34 result in a penalty under section 12 of this chapter.

35 (i) To assist in the performance of the commissioner's duties, the  
36 commissioner may contract with nongovernmental entities, including  
37 the National Association of Insurance Commissioners (NAIC), or any  
38 affiliates or subsidiaries that the NAIC oversees, to perform ministerial

1 functions, including the collection of fees related to producer licensing,  
 2 that the commissioner and the nongovernmental entity consider  
 3 appropriate.

4 (j) The commissioner may participate, in whole or in part, with the  
 5 NAIC or any affiliate or subsidiary of the NAIC in a centralized  
 6 insurance producer license registry through which insurance producer  
 7 licenses are centrally or simultaneously effected for states that require  
 8 an insurance producer license and participate in the centralized  
 9 insurance producer license registry. If the commissioner determines  
 10 that participation in the centralized insurance producer license registry  
 11 is in the public interest, the commissioner may adopt rules under  
 12 IC 4-22-2 specifying uniform standards and procedures that are  
 13 necessary for participation in the registry, including standards and  
 14 procedures for centralized license fee collection.

15 SECTION 36. IC 27-1-15.6-9 IS AMENDED TO READ AS  
 16 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9. (a) An individual  
 17 who applies for an insurance producer license in Indiana and who was  
 18 previously licensed for the same lines of authority in another state is  
 19 not required to complete any prelicensing education or examination.  
 20 However, the exemption provided by this subsection is available only  
 21 if:

- 22 (1) the individual is currently licensed in the other state; or
- 23 (2) the application is received within ninety (90) days after the  
 24 cancellation of the applicant's previous license and:
  - 25 (A) the other state issues a certification that, at the time of  
 26 cancellation, the applicant was in good standing in that state;  
 27 or
  - 28 (B) the state's Producer Database records that are maintained  
 29 by the National Association of Insurance Commissioners, its  
 30 affiliates, or its subsidiaries, indicate that the producer is or  
 31 was licensed in good standing for the line of authority  
 32 requested.

33 (b) If a person is licensed as an insurance producer in another state  
 34 and moves to Indiana, the person, to be authorized to act as an  
 35 insurance producer in Indiana, must make application to become a  
 36 resident licensee under section 6 of this chapter within ninety (90) days  
 37 after establishing legal residence in Indiana. However, the person is not  
 38 required to take prelicensing education or examination to obtain a

license for any line of authority for which the person held a license in the other state unless the commissioner determines otherwise by rule.

(c) An individual who:

(1) has attained the designation of chartered life underwriter, certified financial planner, ~~or~~ chartered financial consultant, **or another nationally recognized designation approved by the commissioner or the National Association of Insurance Commissioners;** and

(2) applies for an insurance producer license in Indiana requesting qualification under sections:

(A) 7(a)(1);

(B) 7(a)(2); or

(C) 7(a)(5);

of this chapter;

is not required to complete prelicensing education and is required to take only the portion of the examination required under section 5(b) of this chapter that pertains to Indiana laws and rules.

(d) An individual who ~~has~~:

(1) **has** attained the designation of chartered property and casualty underwriter, certified insurance counselor, ~~or~~ accredited advisor in insurance, **or another nationally recognized designation approved by the commissioner or the National Association of Insurance Commissioners;** and

(2) applies for an insurance producer license in Indiana requesting qualification under sections:

(A) 7(a)(3);

(B) 7(a)(4); or

(C) 7(a)(6);

of this chapter;

is not required to complete prelicensing education and is required to take only the portion of the examination required under section 5(b) of this chapter that pertains to Indiana laws and rules.

**(e) An individual who:**

**(1) has attained a bachelor's degree in insurance; and**

**(2) applies for an insurance producer license in Indiana requesting qualification under section 7(a)(1) through 7(a)(6) of this chapter;**

**is not required to complete prelicensing education and is required**



**to take only the part of the examination required under section 5(b) of this chapter that pertains to Indiana laws and rules.**

SECTION 37. IC 27-1-15.7-2, AS AMENDED BY P.L.173-2007, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2. (a) Except as provided in subsection (b), to renew a license issued under IC 27-1-15.6,

~~(1) a resident insurance producer must complete at least twenty~~  
~~(20) twenty-four (24) hours of credit in continuing education~~  
~~courses. and~~

~~(2) a resident limited lines producer must complete at least five~~  
~~(5) hours of credit in continuing education courses.~~

An attorney in good standing who is admitted to the practice of law in Indiana and holds a license issued under IC 27-1-15.6 may complete all or any number of hours of continuing education required by this subsection by completing an equivalent number of hours in continuing legal education courses that are related to the business of insurance.

(b) To renew a license issued under IC 27-1-15.6, a limited lines producer with a title qualification under IC 27-1-15.6-7(a)(8) must complete at least seven (7) hours of credit in continuing education courses related to the business of title insurance with at least one (1) hour of instruction in a structured setting or comparable self-study in each of the following:

- (1) Ethical practices in the marketing and selling of title insurance.
- (2) Title insurance underwriting.
- (3) Escrow issues.
- (4) Principles of the federal Real Estate Settlement Procedures Act (12 U.S.C. 2608).

An attorney in good standing who is admitted to the practice of law in Indiana and holds a license issued under IC 27-1-15.6 with a title qualification under IC 27-1-15.6-7(a)(8) may complete all or any number of hours of continuing education required by this subsection by completing an equivalent number of hours in continuing legal education courses related to the business of title insurance or any aspect of real property law.

(c) The following insurance producers are not required to complete continuing education courses to renew a license under this chapter:

- (1) A limited lines producer who is licensed without examination

1 under IC 27-1-15.6-18(1) or IC 27-1-15.6-18(2).

2 (2) A limited line credit insurance producer.

3 (3) **Before July 1, 2011**, an insurance producer who:

4 (A) is at least seventy (70) years of age; and

5 (B) has been a licensed insurance producer continuously for at  
6 least twenty (20) years immediately preceding the license  
7 renewal date.

8 (d) To satisfy the requirements of subsection (a) or (b), a licensee  
9 may use only those credit hours earned in continuing education courses  
10 completed by the licensee:

11 (1) after the effective date of the licensee's last renewal of a  
12 license under this chapter; or

13 (2) if the licensee is renewing a license for the first time, after the  
14 date on which the licensee was issued the license under this  
15 chapter.

16 (e) If an insurance producer receives qualification for a license in  
17 more than one (1) line of authority under IC 27-1-15.6, the insurance  
18 producer may not be required to complete a total of more than twenty  
19 (20) hours of credit in continuing education courses to renew the  
20 license.

21 (f) Except as provided in subsection (g), a licensee may receive  
22 credit only for completing continuing education courses that have been  
23 approved by the commissioner under section 4 of this chapter.

24 (g) A licensee who teaches a course approved by the commissioner  
25 under section 4 of this chapter shall receive continuing education credit  
26 for teaching the course.

27 (h) When a licensee renews a license issued under this chapter, the  
28 licensee must submit:

29 (1) a continuing education statement that:

30 (A) is in a format authorized by the commissioner;

31 (B) is signed by the licensee under oath; and

32 (C) lists the continuing education courses completed by the  
33 licensee to satisfy the continuing education requirements of  
34 this section; and

35 (2) any other information required by the commissioner.

36 (i) A continuing education statement submitted under subsection (h)  
37 may be reviewed and audited by the department.

38 (j) A licensee shall retain a copy of the original certificate of

1 completion received by the licensee for completion of a continuing  
2 education course.

- 3 (k) A licensee who completes a continuing education course that:  
4 (1) is approved by the commissioner under section 4 of this  
5 chapter;  
6 (2) is held in a classroom setting; and  
7 (3) concerns ethics;

8 shall receive continuing education credit for the number of hours for  
9 which the course is approved plus additional hours, not to exceed two  
10 (2) hours in a renewal period, equal to the number of hours for which  
11 the course is approved.

12 SECTION 38. IC 27-1-15.7-5 IS AMENDED TO READ AS  
13 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. (a) To qualify as a  
14 certified prelicensing course of study for purposes of IC 27-1-15.6-6,  
15 an insurance producer program of study must meet all of the following  
16 criteria:

- 17 (1) Be conducted or developed by an:  
18 (A) insurance trade association;  
19 (B) accredited college or university;  
20 (C) educational organization certified by the insurance  
21 producer education and continuing education advisory council;  
22 or  
23 (D) insurance company licensed to do business in Indiana.  
24 (2) Provide for self-study or instruction provided by an approved  
25 instructor in a structured setting, as follows:  
26 (A) For life insurance producers, not less than ~~twenty-four (24)~~  
27 **twenty (20)** hours of instruction in a structured setting or  
28 comparable self-study on:  
29 (i) ethical practices in the marketing and selling of  
30 insurance;  
31 (ii) requirements of the insurance laws and administrative  
32 rules of Indiana; and  
33 (iii) principles of life insurance.  
34 (B) For health insurance producers, not less than ~~twenty-four~~  
35 **(24) twenty (20)** hours of instruction in a structured setting or  
36 comparable self-study on:  
37 (i) ethical practices in the marketing and selling of  
38 insurance;

- 1 (ii) requirements of the insurance laws and administrative
- 2 rules of Indiana; and
- 3 (iii) principles of health insurance.
- 4 (C) For life and health insurance producers, not less than forty
- 5 (40) hours of instruction in a structured setting or comparable
- 6 self-study on:
  - 7 (i) ethical practices in the marketing and selling of
  - 8 insurance;
  - 9 (ii) requirements of the insurance laws and administrative
  - 10 rules of Indiana;
  - 11 (iii) principles of life insurance; and
  - 12 (iv) principles of health insurance.
- 13 (D) For property and casualty insurance producers, not less
- 14 than forty (40) hours of instruction in a structured setting or
- 15 comparable self-study on:
  - 16 (i) ethical practices in the marketing and selling of
  - 17 insurance;
  - 18 (ii) requirements of the insurance laws and administrative
  - 19 rules of Indiana;
  - 20 (iii) principles of property insurance; and
  - 21 (iv) principles of liability insurance.
- 22 (E) For personal lines producers, a minimum of ~~twenty-four~~
- 23 ~~(24)~~ **twenty (20)** hours of instruction in a structured setting or
- 24 comparable self-study on:
  - 25 (i) ethical practices in the marketing and selling of
  - 26 insurance;
  - 27 (ii) requirements of the insurance laws and administrative
  - 28 rules of Indiana; and
  - 29 (iii) principles of property and liability insurance applicable
  - 30 to coverages sold to individuals and families for primarily
  - 31 noncommercial purposes.
- 32 (F) For title insurance producers, not less than ten (10) hours
- 33 of instruction in a structured setting or comparable self-study
- 34 on:
  - 35 (i) ethical practices in the marketing and selling of title
  - 36 insurance;
  - 37 (ii) requirements of the insurance laws and administrative
  - 38 rules of Indiana;

1 (iii) principles of title insurance, including underwriting and  
2 escrow issues; and

3 (iv) principles of the federal Real Estate Settlement  
4 Procedures Act (12 U.S.C. 2608).

5 (3) Instruction provided in a structured setting must be provided  
6 only by individuals who meet the qualifications established by the  
7 commissioner under subsection (b).

8 (b) The commissioner, after consulting with the insurance producer  
9 education and continuing education advisory council, shall adopt rules  
10 under IC 4-22-2 prescribing the criteria that a person must meet to  
11 render instruction in a certified prelicensing course of study.

12 (c) The commissioner shall adopt rules under IC 4-22-2 prescribing  
13 the subject matter that an insurance producer program of study must  
14 cover to qualify for certification as a certified prelicensing course of  
15 study under this section.

16 (d) The commissioner may make recommendations that the  
17 commissioner considers necessary for improvements in course  
18 materials.

19 (e) The commissioner shall designate a program of study that meets  
20 the requirements of this section as a certified prelicensing course of  
21 study for purposes of IC 27-1-15.6-6.

22 (f) The commissioner may, after notice and opportunity for a  
23 hearing, withdraw the certification of a course of study that does not  
24 maintain reasonable standards, as determined by the commissioner for  
25 the protection of the public.

26 (g) Current course materials for a prelicensing course of study that  
27 is certified under this section must be submitted to the commissioner  
28 upon request, but not less frequently than once every three (3) years."

29 Page 31, delete lines 28 through 42.

30 Page 32, delete lines 1 through 2.

31 Page 40, line 32, delete "of one hundred dollars (\$100);" and insert  
32 **"in an amount determined by the commissioner;"**.

33 Page 40, line 34, after "." insert **"The commissioner shall deposit**  
34 **a fee paid under subdivision (2) into the department of insurance**  
35 **fund established by IC 27-1-3-28."**.

36 Page 43, delete lines 21 through 23.

37 Page 43, line 31, delete "of" and insert **"in an amount determined**  
38 **by the commissioner,"**.

- 1 Page 43, line 32, delete "one hundred dollars (\$100),".
- 2 Page 43, line 32, after "." insert "**The commissioner shall deposit**
- 3 **a fee paid under this subsection into the department of insurance**
- 4 **fund established by IC 27-1-3-28.**"
- 5 Page 44, line 10, after "a" insert "**renewal application and a**".
- 6 Page 44, line 14, after "pay" insert "**to the commissioner**".
- 7 Page 44, line 14, strike "as required" and insert "**in an amount**
- 8 **determined**".
- 9 Page 44, line 15, strike "collect" and insert "**deposit**".
- 10 Page 44, line 15, strike "required" and insert "**paid**".
- 11 Page 44, line 16, strike "and deposit the fee".
- 12 Page 45, line 28, after "fee" insert "**in an amount**".
- 13 Page 45, line 28, reset in roman "determined by".
- 14 Page 45, line 29, reset in roman "the commissioner."
- 15 Page 45, line 29, delete "of one hundred dollars (\$100).".
- 16 Page 47, line 19, after ";" insert "**and**".
- 17 Page 47, delete lines 20 through 21.
- 18 Page 49, after line 42, begin a new paragraph and insert:
- 19 "SECTION 51. IC 27-8-11-10, AS ADDED BY P.L.111-2008,
- 20 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 21 UPON PASSAGE]: Sec. 10. (a) As used in this section, "dialysis
- 22 facility" means an outpatient facility in Indiana at which a ~~dialysis~~
- 23 ~~treatment~~ provider provides dialysis treatment.
- 24 (b) As used in this section, "contracted dialysis facility" means a
- 25 dialysis facility that has entered into an agreement with a particular
- 26 insurer under section 3 of this chapter.
- 27 (c) Notwithstanding section 1 of this chapter, as used in this section,
- 28 "insured" refers only to an insured who requires dialysis treatment.
- 29 (d) As used in this section, "insurer" includes the following:
- 30 (1) An administrator licensed under IC 27-1-25.
- 31 (2) An agent of an insurer.
- 32 (e) As used in this section, "non-contracted dialysis facility" means
- 33 a dialysis facility that has not entered into an agreement with a
- 34 particular insurer under section 3 of this chapter.
- 35 (f) An insurer shall not require an insured, as a condition of
- 36 coverage or reimbursement, to:
- 37 (1) if the nearest dialysis facility is located within thirty (30) miles
- 38 of the insured's home, travel more than thirty (30) miles from the

insured's home to obtain dialysis treatment; or

(2) if the nearest dialysis facility is located more than thirty (30) miles from the insured's home, travel a greater distance than the distance to the nearest dialysis facility to obtain dialysis treatment;

regardless of whether the insured chooses to receive dialysis treatment at a contracted dialysis facility or a non-contracted dialysis facility.

**(g) An insurer shall, upon request of the insured, make all claim payments for dialysis treatment payable only to the dialysis facility and not to the insured, regardless of whether the dialysis facility is a contracted dialysis facility or a non-contracted dialysis facility.**

**(h) A policy that is issued by an insurer that provides coverage for dialysis treatment may not apply:**

**(1) benefit restrictions;**

**(2) deductible, copayment, coinsurance, or other out-of-pocket expense requirements; or**

**(3) maximum lifetime coverage limitations;**

**to the coverage for dialysis treatment that are less favorable to an insured than the benefit restrictions, deductible, copayment, coinsurance, or other out-of-pocket expense requirements, or maximum lifetime coverage limitations that apply to all other medical and surgical benefits under the policy.**

**(i) A dialysis facility or provider shall not bill an insured for any amount that exceeds:**

**(1) the amount paid by the insurer; plus**

**(2) any applicable deductible, copayment, coinsurance, or other expense paid by the insured;**

**in connection with dialysis treatment. An insurer that receives from an insured written proof that a dialysis facility or provider has violated this subsection shall not reimburse the dialysis facility or provider for any health care services rendered to any insured until the insurer receives written proof that the dialysis facility or provider has canceled the bill and reimbursed the insured in full any amount paid in relation to the amount billed in violation of this subsection.**

**(j) This subsection applies to an agreement entered into under section 3 of this chapter between a contracted dialysis facility and an insurer that includes a dispute resolution provision. If:**

1           (1) a party to the agreement attempts to change the terms of  
2           the agreement while the agreement is in effect;

3           (2) the other party to the agreement refuses to accept the  
4           change described in subdivision (1); and

5           (3) the parties to the agreement cannot resolve the  
6           disagreement according to the dispute resolution provision of  
7           the agreement;

8           the dialysis facility and insurer shall submit to binding arbitration  
9           by a neutral arbitrator selected by agreement of the parties. If the  
10          parties do not agree upon a neutral arbitrator within two (2) weeks  
11          after the selection process begins, the insurance commissioner  
12          appointed under IC 27-1-1-2 shall select a neutral arbitrator.

13          (k) This subsection applies to an agreement entered into under  
14          section 3 of this chapter between a contracted dialysis facility and  
15          an insurer that does not include a dispute resolution provision. If:

16          (1) a party to the agreement attempts to change the terms of  
17          the agreement while the agreement is in effect;

18          (2) the other party to the agreement refuses to accept the  
19          change described in subdivision (1); and

20          (3) the parties to the agreement cannot resolve the  
21          disagreement less than sixty (60) days after the party  
22          described in subdivision (1) receives written notice from the  
23          party described in subdivision (2) that the party described in  
24          subdivision (2) refuses to accept the change to the terms of the  
25          agreement;

26          the dialysis facility and insurer shall submit to mediation by a  
27          neutral mediator selected by the insurance commissioner. If  
28          mediation does not result in resolution of the disagreement less  
29          than thirty (30) days after mediation proceedings begin, the parties  
30          shall submit to binding arbitration by a neutral arbitrator selected  
31          by agreement of the parties. If the parties do not agree upon a  
32          neutral arbitrator within two (2) weeks after the selection process  
33          begins, the insurance commissioner shall select a neutral  
34          arbitrator.

35          (l) The department may adopt rules under IC 4-22-2 to  
36          implement this section.

37          SECTION 52. IC 27-13-1-11.5, AS ADDED BY P.L.111-2008,  
38          SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



UPON PASSAGE]: Sec. 11.5. "Dialysis facility" means an outpatient facility in Indiana at which a ~~dialysis treatment~~ provider provides dialysis treatment.

SECTION 53. IC 27-8-15-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. This chapter applies to any ~~individual or~~ group health insurance plan that is issued for delivery in Indiana to at least ~~three (3)~~ **two (2)** employees of a small employer located in Indiana if one (1) of the following conditions is met:

(1) Any part of the premium or benefits is paid by a small employer or any covered individual is reimbursed, whether through wage adjustments or otherwise, by a small employer for any part of the premium not including the administrative expenses of administering a payroll deduction plan where the employee contributes one hundred percent (100%) of the premium without reimbursement.

(2) The health benefit plan is treated by the employer or any of the covered individuals as part of a plan or program for purposes of Section 106 or 162 of the United States Internal Revenue Code.

SECTION 54. IC 27-8-15-8.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 8.5. (a) As used in this chapter, "eligible employee" means an employee:

(1) who is employed to work at least thirty (30) hours each week;

~~The term includes:~~

~~(A) a sole proprietor; and~~

~~(B) a partner in a partnership;~~

~~if the sole proprietor or partner is included as an employee under a health insurance plan of a small employer; and~~

(2) who meets an applicable waiting period required by a small employer before gaining coverage under a health insurance policy.

**(b) The term includes:**

**(1) a sole proprietor;**

**(2) a partner in a partnership; and**

**(3) an owner of an S corporation;**

**regardless of whether the sole proprietor, partner, or owner is included as an employee for purposes of taxation of a small employer.**

~~(b)~~ (c) The term does not include:

- (1) an employee who works on a temporary or substitute basis; or
- (2) a seasonal employee.

SECTION 55. IC 27-8-15-31 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 31. (a) If an eligible employee who has been continuously covered under a health insurance plan for at least ninety (90) days:

(1) loses coverage under the plan as the result of:

- (A) termination of employment;
- (B) reduction of hours;
- (C) marriage dissolution; or
- (D) attainment of any age specified in the plan; ~~and~~

**(2) is not eligible for continuation coverage under the federal Consolidated Omnibus Budget Reconciliation Act of 1985; and**

~~(2)~~ (3) requests a conversion policy from the small employer insurer that insured the health insurance plan;

the individual is entitled to receive a conversion policy from the small employer insurer.

(b) A request under subsection ~~(a)(2)~~ (a) must be made within thirty (30) days after the individual loses coverage under the health insurance plan.

(c) The premium for a conversion policy issued under this section shall not exceed one hundred fifty percent (150%) of the rate that would have been charged under the small employer health insurance plan with respect to the individual if the individual had been covered as an eligible employee under the plan during the same period. If the health insurance plan under which the individual was covered is canceled or is not renewed, the rates shall be based on the rate that would have been charged with respect to the individual if the plan had continued in force, as determined by the small employer insurer in accordance with standard actuarial principles.

(d) A conversion policy issued under this section must be approved by the insurance commissioner as described in IC 27-8-5-1. The commissioner may not approve a conversion policy unless the policy and its benefits are:

- (1) comparable to those required under IC 27-13-1-4(a)(2) through IC 27-13-1-4(a)(5);

1 (2) reasonable in relation to the premium charged; and

2 (3) in compliance with IC 27-8-6-1.

3 If the benefit limits of the conversion policy are not more than the  
4 benefit limits of the small employer's health insurance plan, the small  
5 employer insurer shall credit the individual with any waiting period,  
6 deductible, or coinsurance credited to the individual under the small  
7 employer's health insurance plan.

8 (e) This section expires on the effective date of a mechanism  
9 enacted by the general assembly to offset the potential fiscal impact on  
10 small employers and small employer insurers that results from the  
11 establishment of a continuation policy under section 31.1 of this  
12 chapter."

13 Page 50, between lines 15 and 16, begin a new paragraph and insert:

14 "SECTION 57. IC 27-13-15-5, AS ADDED BY P.L.111-2008,  
15 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
16 UPON PASSAGE]: Sec. 5. (a) Notwithstanding IC 27-13-1-12, as used  
17 in this section, "enrollee" refers only to an enrollee who requires  
18 dialysis treatment.

19 (b) As used in this section, "health maintenance organization"  
20 includes the following:

21 (1) A limited service health maintenance organization.

22 (2) An agent of a health maintenance organization or a limited  
23 service health maintenance organization.

24 (c) A health maintenance organization shall not require an enrollee,  
25 as a condition of coverage or reimbursement, to:

26 (1) if the nearest dialysis facility is located within thirty (30) miles  
27 of the enrollee's home, travel more than thirty (30) miles from the  
28 enrollee's home to obtain dialysis treatment; or

29 (2) if the nearest dialysis facility is located more than thirty (30)  
30 miles from the enrollee's home, travel a greater distance than the  
31 distance to the nearest dialysis facility to obtain dialysis  
32 treatment;

33 regardless of whether the enrollee chooses to receive dialysis treatment  
34 at a dialysis facility that is a participating provider or a dialysis facility  
35 that is not a participating provider.

36 **(d) A health maintenance organization shall, upon request of the**  
37 **enrollee, make all claim payments for dialysis treatment payable**  
38 **only to the dialysis facility and not to the enrollee, regardless of**

1 whether the dialysis facility is or is not a participating provider.

2 (e) An individual contract or a group contract that provides  
3 coverage for dialysis treatment may not apply:

4 (1) benefit restrictions;

5 (2) deductible, copayment, coinsurance, or other out-of-pocket  
6 expense requirements; or

7 (3) maximum lifetime coverage limitations;

8 to the coverage for dialysis treatment that are less favorable to an  
9 enrollee than the benefit restrictions, deductible, copayment,  
10 coinsurance, or other out-of-pocket expense requirements, or  
11 maximum lifetime coverage limitations that apply to all other  
12 medical and surgical benefits under the individual contract or  
13 group contract.

14 (f) A dialysis treatment facility or provider shall not bill an  
15 enrollee for any amount that exceeds:

16 (1) the amount paid by the health maintenance organization;  
17 plus

18 (2) any applicable deductible, copayment, coinsurance, or  
19 other expense paid by the enrollee;

20 in connection with dialysis treatment. A health maintenance  
21 organization that receives from an enrollee written proof that a  
22 dialysis facility or provider has violated this subsection shall not  
23 reimburse the dialysis facility or provider for any health care  
24 services rendered to any enrollee until the health maintenance  
25 organization receives written proof that the dialysis facility or  
26 provider has canceled the bill and reimbursed the enrollee in full  
27 any amount paid in relation to the amount billed in violation of this  
28 subsection.

29 (g) This subsection applies to a contract entered into under this  
30 chapter between a dialysis facility that is a participating provider  
31 and a health maintenance organization that includes a dispute  
32 resolution provision. If:

33 (1) a party to the contract attempts to change the terms of the  
34 contract while the contract is in effect;

35 (2) the other party to the contract refuses to accept the change  
36 described in subdivision (1); and

37 (3) the parties to the contract cannot resolve the disagreement  
38 according to the dispute resolution provision of the contract;

1 the dialysis facility and health maintenance organization shall  
 2 submit to binding arbitration by a neutral arbitrator selected by  
 3 agreement of the parties. If the parties do not agree upon a neutral  
 4 arbitrator within two (2) weeks of beginning the selection process,  
 5 the insurance commissioner appointed under IC 27-1-1-2 shall  
 6 select a neutral arbitrator.

7 (h) This subsection applies to a contract entered into under this  
 8 chapter between a dialysis facility that is a participating provider  
 9 and a health maintenance organization that does not include a  
 10 dispute resolution provision. If:

11 (1) a party to the contract attempts to change the terms of the  
 12 contract while the contract is in effect;

13 (2) the other party to the contract refuses to accept the change  
 14 described in subdivision (1); and

15 (3) the parties to the contract cannot resolve the disagreement  
 16 less than sixty (60) days after the party described in  
 17 subdivision (1) receives written notice from the party  
 18 described in subdivision (2) that the party described in  
 19 subdivision (2) refuses to accept the change to the terms of the  
 20 contract;

21 the dialysis facility and health maintenance organization shall  
 22 submit to mediation by a neutral mediator selected by the  
 23 insurance commissioner. If mediation does not result in resolution  
 24 of the disagreement less than thirty (30) days after mediation  
 25 proceedings begin, the parties shall submit to binding arbitration  
 26 by a neutral arbitrator selected by agreement of the parties. If the  
 27 parties do not agree upon a neutral arbitrator within two (2) weeks  
 28 after the selection process begins, the insurance commissioner shall  
 29 select a neutral arbitrator.

30 (i) The department may adopt rules under IC 4-22-2 to  
 31 implement this section."

32 Page 50, line 42, delete "IC 27-1-25-7.5." and insert "IC  
 33 27-1-25-7.5; IC 27-8-15-2.

34 SECTION 60. [EFFECTIVE JULY 1, 2009] (a) IC 27-8-15, as  
 35 amended by this act, applies to a health insurance plan (as defined  
 36 in IC 27-8-15-9) that is issued, entered into, delivered, amended, or  
 37 renewed after June 30, 2009.

38 (b) This SECTION expires July 1, 2014.

1       SECTION 61. [EFFECTIVE UPON PASSAGE] (a) **IC 27-8-11-10,**  
 2       **as amended by this act, applies to an agreement between an insurer**  
 3       **and a dialysis facility that is entered into, amended, or renewed on**  
 4       **or after the effective date of IC 27-8-11-10, as amended by this act.**  
 5       (b) **IC 27-13-15-5, as amended by this act, applies to a contract**  
 6       **between a health maintenance organization and a dialysis facility**  
 7       **that is entered into, amended, or renewed after the effective date**  
 8       **of IC 27-13-15-5, as amended by this act.**  
 9       SECTION 62. **An emergency is declared for this act."**  
 10      Renumber all SECTIONS consecutively.  
       (Reference is to HB 1627 as introduced.)

**and when so amended that said bill do pass.**

---

Representative Fry